

Dairy Flash

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The latest news from the world of dairy

EDA Board meets with EU Commissioner Phil Hogan

The day after the discussion on the new measures to support the dairy sector within the Council of the agricultural ministers of the 28 Member States, **EDA chair Michel Nalet** and his colleagues from the EDA Board had the opportunity to exchange with **EU Commissioner Phil Hogan** on these measures (*see below*). EDA Board members also used this discussion to raise a series of other topics that are relevant for the whole dairy sector, the dairy farmers and their milk processors, like trade or the protection of dairy terms and to highlight the overall importance of the smooth functioning of the single market for milk and dairy.



The EDA Board was invited to meet with EU COM Phil Hogan in the François-Xavier Ortoli hall in the Berlaymont building

“EU Commissioner Phil Hogan and his continued support for the dairy sector is as much welcomed as needed in these harsh market conditions. In our discussion today Commissioner Hogan underlined the very difficult situation for the dairy farmers across the Union. These market conditions affect in the same way the processing industry, farmer owned cooperatives and private dairies. Commissioner Hogan clearly pointed out the role of the processors in also helping to make the new measures work as well as possible to speed up the market recovery”, Michel Nalet resumed the meeting.

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Commissioner Hogan announces €500 million support package to farmers

At the first Agri Council under the Slovakian Presidency, Commissioner Hogan shared with the EU Agri ministers his new € 500 million support package, including a scheme to encourage a reduction in milk production (€150 million) and funds for member states contributing to secure market stability (€350 plus possibility of national top-ups). [i](#)

For the milk reduction scheme, applications are to be filed by individual farmers to the Member State and would be treated on a first come-first served basis over a three-month period. The amount of the EU aid per kg of milk not produced will be discussed along with the other acts of the package in the Experts Committee today. Some sources say that the amount would be around 14 c/kg of milk non produced. When meeting with **Commissioner Hogan**, **EDA chair Michel Nalet** and the EDA Board shared the view of the European Dairy Industry on these new schemes (see above).

The chair of the ag council, the **minister of agriculture of Slovakia, Ms Gabriela Matečná**, welcomed the good work of the DG AGRI team. An expert group from all 28 Member States works today on some details of the legislative proposals.

EDA visits Ethiopian dairy plants

"Ethiopia has a rich and long dairy culture, and dairy is part of our national development plan. We need to transform from subsistence to commercial farming. And we need external investment when it comes to developing our dairy sector. Our assets

political stability, climatic regions that are ideal and used traditionally for producing milk, a huge internal consumption potential in the country and within our neighbourhood, cheap and green electricity and our workforce. We have a firm commitment to make use of our assets and we invite European dairies to catch up".

Ethiopian State Minister of Industry, Dr Mebrahtu Meles, invited the European dairy industry to join the [international agro-industry forum in Ethiopia on 05 – 07 October 2016 in Addis Ababa](#) [i](#).



Ethiopian State Minister of Industry, Dr Mebrahtu Meles along with EDA secretary general Alexander Anton

Transatlantic Trade and Investment Partnership (TTIP) negotiations

The fourteenth round of the Transatlantic Trade and Investment Partnership (TTIP) negotiations has taken place from 11 to 15 July in Brussels. While negotiations on many sectors are advancing well, those on agriculture remain difficult, particularly on GIs. During the stakeholder meeting, the **French CNAOL (Conseil National des AOP laitières)** made a presentation on the importance of the recognition of GIs in the TTIP, giving the example of French PDO cheeses.

"Protecting GIs can be an opportunity for the USA: The EU experience shows that the ban on the use Parmesan or Feta did not prevent the development of dairy production in several EU countries. The same positive results could happen in Wisconsin as

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well as in Ohio, Vermont or any other US states with speciality cheese”.

In the meeting with our EDA Board with **EU Commissioner Phil Hogan**, specific questions on GI protection in TTIP and other free trade agreements were raised. “One thing is very clear: without free trade agreements, there is no protection at all for our European GIs in other world regions”, underlined **Commissioner Phil Hogan**.

Ongoing fragmentation of the EU Single Market: EU Commission receives new notifications on mOL


Following the recent precedent of [the French draft law on mandatory Origin Labelling \(mOL\)](#)  where – in spite of wide opposition and important concerns for the future of internal market – the European Commission did not raise any objections, other Member States are now notifying similar national rules for milk and dairy products. The latest examples are Italy and Lithuania who notified to the Commission draft national laws on mOL for milk and dairy products.

Interestingly, the official Commission position remains in favour of a voluntary European labelling scheme. **Commissioner Vytenis Andriukaitis** has answered on 12 July 2016 a written parliamentary question on: [‘Implementation of legislation on food origin labelling’](#)  where he stressed that “Mandatory origin labelling would lead to additional production costs and would be burdensome.”

The **Commissioner** officially admits that “Mandatory origin labelling would add to the rigidity of the supply chain, lower the competitiveness of food producers and impact international trade” and confirms its position that “that voluntary origin labelling at EU level combined with existing mandatory origin labelling regimes for specific foods or categories of food, allows consumers to choose products with specific origins if they want to, while it does not affect the competitiveness of food business operators.”

On this occasion, the **Commissioner** also highlighted that “All reports show that, in spite of consumers' interest for information on origin, at EU level consumers' overall willingness to pay for this information is often questionable.”

Dairy Sustainability Framework (DSF) – Global Dairy Agenda for Action

DSF, the global lead in collecting and highlighting the dairy sector's efforts in addressing its sustainability challenges has published its [latest report](#) .

“The overall leitmotiv of the DSF is ‘Align, Connect and Progress’ – this is exactly what we do at global dairy level with DSF and all partners involved. The DSF is a more than valuable tool to benchmark and to promote our European efforts within a global framework”, stated **EDA Secretary General Alexander Anton**, a member of the DSF governance group.

